



Habib Rice Products Ltd.

***46th Annual Report
for the year ended
June 30, 2026***

Contents

	Page No
Company Information	2
Chairman's Review / Directors' Report	3
Company's Contribution to the Economy	6
Statement on Corporate and Financial Reporting Framework	7
Six Years at a Glance	8
Pattern of Shareholding	9
Statement of Compliance with listed Companies (Code of Corporate Governance) Regulation, 2019	11
Independent Auditors' Review Report	14
Independent Auditors' Report on Financial Statements	16
Statement of Financial Position	21
Statement of Profit or Loss	22
Statement of Other Comprehensive Income	23
Statement of Changes in Equity	24
Statement of Cash Flows	25
Notes to the Financial Statements	26
Notice of Annual General Meeting	58
Proxy Form	

COMPANY INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Owais G. Habib
Mr. Tufail Y. Habib

Managing Director

Non Executive Directors

Mr. Gaffar A. Habib
Ms. Fatemah G. Habib
Mr. Adil Ahmed Chapra
Mr. Asad R. Premjee
Mr. Faisal Adamjee

Chairman

Independent

Independent

Independent

BOARD AUDIT COMMITTEE

Mr. Gaffar A. Habib
Ms. Fatemah G. Habib
Mr. Asad R. Premjee
Mr. Adil Ahmed Chapra

BOARD HR AND REMUNERATION COMMITTEE

Mr. Gaffar A. Habib
Mr. Tufail Y. Habib
Ms. Fatemah G. Habib
Mr. Adil Ahmed Chapra

CHIEF EXECUTIVE OFFICER

Mr. Owais G. Habib

CHIEF FINANCIAL OFFICER

Mr. Jamshed Ali Khan

COMPANY SECRETARY

Mr. Muhammad Haris

AUDITORS

Grant Thornton Anjum Rahman
Chartered Accountants

SHARE REGISTRAR

M/s. CDC Share Registrar Services Ltd.
CDC House, 99-B, Block-B, S.M.C.H.S.,
Main Sharah-e-Faisal, Karachi.

REGISTERED OFFICE

2nd Floor, UBL Building, I. I. Chundrigar Road,
Karachi - 74000, Pakistan.
Telephone : (021) 32411887
Fax : (021) 32414581

ADMINISTRATIVE OFFICES & FACTORY

Ahmad Habib Boulevard,
Hub - 90250, Pakistan.
Telephone : (0853) 363963-5
Fax : (0853) 363819



CHAIRMAN'S REVIEW / DIRECTORS' REPORT

For The Year Ended June 30, 2026



Dear Shareholders,

During the year, the Board of the Company comprised of:

Mr. Gaffar A. Habib	Chairman, Non-Executive Director
Mr. Owais G. Habib	Chief Executive Officer
Mr. Tufail Y. Habib	Executive Director
Ms. Fatemah G. Habib	Non-Executive Director
Mr. Asad R. Premjee	Independent Director
Mr. Adil Ahmed Chapra	Independent Director
Mr. Faisal Adamjee	Independent Director

The Financial Highlights and the Directors' proposed appropriations are as follow:

	RUPEES in '000	
	2026	2025
(Loss) before Tax	(59,394)	(123,156)
Provision for Tax (Net)	(28,181)	(32,556)
Net (Loss) after Tax	(87,575)	(155,712)
Un-appropriated Profit Brought Forward	533,702	689,414
Un-Appropriated Profit Carried Forward	446,126	533,702
(Loss) per Share (EPS) - Net of Tax	(2.19)	(3.89)

The Year In Review

The Directors present their review of the Company's performance for the year ended June 30, 2026.

The year under review continued to be challenging for the Company, particularly due to high energy costs, an unfavorable tax and tariff regime, water scarcity and increasing costs of doing business. Despite these challenges, the Company made significant progress in improving its operating performance and reducing its losses. The Company incurred a net loss after tax of PKR 87.58 million, as compared to a net loss of PKR 155.71 million in the previous year, representing a substantial reduction in the annual loss.

The improvement in results was mainly attributable to higher local sales, increased rice grinding and overall production, together with effective cost-control measures. The Company also achieved savings through reduction in repair and maintenance expenses, lower expenditure on global trade shows, and savings in local and foreign commissions. These measures, along with improved operational efficiency, helped mitigate the impact of the challenging business environment.

However, the significant increase in the cost of production could not be fully passed on to customers due to competitive market conditions. In order to maintain its market share and remain competitive, the Company absorbed a substantial portion of the increased costs, which continued to exert pressure on its profit margins.

Notwithstanding the improvement, the Company's profitability continued to be adversely affected by several significant factors. The steep escalation in energy costs, particularly the levy imposed on natural gas/RLNG consumed by off-grid captive power plants under the Off-grid (Captive Power Plants) Levy Act, 2025, has materially increased the cost of self-generation of power. The progressive increase in this levy has placed an additional burden on energy-intensive industries.

The prevailing tax and tariff regime has also adversely affected the competitiveness of locally manufactured Sorbitol, particularly in view of increased imports from China where the applicable customs duty is zero. This has exerted continued pressure on the demand and margins of domestic producers.

The Company has further been burdened by the recently imposed Market Committee Fee, which has increased the overall cost of operations. Water scarcity also remained a major operational constraint during the year. Despite the availability of substantial water reserves at Hub Dam, the Company continued to face inadequate supply and was required to arrange water at significantly higher costs, adversely affecting operations.

The Company's protein business was also affected by lower export volumes. Post-harvest anti-fungal treatment of rice resulted in the production of non-organic protein, limiting its application in certain export markets. In addition, the availability of comparatively cheaper imported soybean meal has increased competitive pressure on the domestic protein business.

Progress on Co-Generation Power Plant

In response to the continuing escalation in energy costs, the Company is establishing a Co-Generation Power Plant as an alternate energy resource. The civil works have been completed; however, the project has experienced delays in the availability of the required machinery. The Company is actively pursuing the matter and awaits delivery of the long-delayed machinery so that installation and commissioning activities can proceed.



Habib Rice Products Ltd.

The Company remains committed to improving operational efficiency, controlling costs, expanding its local and export markets and pursuing alternate energy solutions. However, the sustainability of local manufacturing continues to depend significantly on a supportive policy environment, particularly with respect to energy costs, import tariffs and availability of essential utilities.

The Board and management remain focused on navigating these challenges and strengthening the Company's operational and financial position.

In closing: Please join us in our prayers to Allah the Beneficent, the Merciful, the Provider to Bless our operations with the Bounties as Befits His Glory, Aameen. Additionally, May Allah guide the policy makers to take corrective measures for the revival and sustainability of local industries, Aameen.

On behalf of the Board,

OWAIS G. HABIB
Chief Executive Officer

GAFFAR A. HABIB
Chairman

Karachi: 22 September 2026



Post Script to the Chairman Report

COMPANY'S CONTRIBUTION TO THE ECONOMY

A Quick glance at the numbers below shows the contribution of our Company has made to the Pakistan Economy

Description	2026 Amount	2025 Amount	2024 Amount	2023 Amount	2022 Amount
----- Rupees in millions -----					
Total Revenue	2,289	2,153	2,416	2,596	1,963
Export Sales (Pak Rupees in Million)	168	196	578	513	689
Taxes Paid					
Sales Tax	531	487	466	459	235
Income Tax	65	80	118	111	62
	596	567	584	570	297
Employees Salaries & Other Benefit	337	311	289	289	254
Investors	-	-	51	68	102
Grand Total	933	878	924	927	653

STATEMENTS ON CORPORATE AND FINANCIAL REPORTING FRAMEWORK

- a. The Financial Statements prepared by the management of the Company, present fairly its state of affairs and the result of its operations.
- b. The Company has maintained proper books of accounts.
- c. In preparation of Financial Statements, appropriate accounting policies have been consistently applied and accounting estimates are based on reasonable and prudent judgment.
- d. In preparation of Financial Statements International Accounting Standards, as applicable in Pakistan, have been followed and non-applicability, if any, has been adequately disclosed.
- e. The existing system of internal controls and other procedures have been continuously reviewed by the internal auditor. The process of review will continue and any weakness in controls will have immediate attention of the management.
- f. There are no doubts about the Company's ability to continue as a going concern.
- g. The Company has complied, in all material respect, with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019, as applicable to the Company for the year ended June 30, 2026.
- h. Key operating and financial data for the last six years in summarized form is annexed.
- i. The following is the value of total assets of Provident Fund based on respective un-audited accounts as on 30 June 2026.

Provident Fund Rs. 351.41 million - (2025 Rs.319.26 million)

- j. Pattern of Share Holding of the Company is shown on the page 8.
- k. During the year five (5) meetings of the Board of Directors were held. Attendance of each Director is as follows:-

Name of Directors	No. of Meeting Attended
1. Mr. Gaffar A. Habib	5
2. Mr. Owais G. Habib	4
3. Dr. Howard J. Synenberg	- (Retired on 04-June-2026)
4. Mr. Tufail Y. Habib	5
5. Ms. Fatemah G. Habib	5
6. Dr. Salma Habib	- (Resigned on 21-January-2026)
7. Mr. Asad R. Premjee	3
8. Mr. Adil Ahmed Chapra	4
9. Mr. Faisal Adamjee	2

AUDITORS

The auditors M/s. Grant Thornton Anjum Rahman, Chartered Accountants retire and have offered themselves for reappointment. The Board of Audit Committee of the Company have recommended their re-appointment for the financial year ending June 30, 2027.



OWAIS G. HABIB
Chief Executive Officer



GAFFAR A. HABIB
Chairman

Karachi: September 22, 2026

SIX YEARS AT A GLANCE

(Rupees in '000)

PARTICULARS	2026	2025	2024	2023	2022	2021
FINANCIAL POSITION						
Paid up Capital	200,000	200,000	200,000	200,000	200,000	200,000
Revenue and Reserves	60,000	60,000	60,000	60,000	60,000	60,000
Unappropriated Profit	446,126	533,702	689,414	841,768	668,783	704,699
Total Share Holder Equity	706,126	793,702	949,414	1,101,768	928,783	964,699
Fixed Assets at Cost	1,692,137	1,592,225	1,477,687	1,461,890	1,436,994	1,386,869
Accumulated Depreciation	1,056,449	1,011,210	965,027	915,793	862,127	862,127
Fixed Assets Net of Depreciation	635,688	581,014	512,660	546,098	574,867	524,742
Right-of-use assets	13,078	13,181	5,946	4,516	15,106	4,922
Long Term Deposits	1,660	1,061	27,282	26,892	26,491	26,491
Deferred Taxation -Net	-	-	6,341	14,216	20,768	33,329
Current Assets	858,471	788,323	763,408	968,324	768,664	833,076
Total Assets Net of Depreciation	1,508,897	1,383,579	1,315,638	1,560,045	1,405,896	1,422,560
Non Current Liabilities	118,601	43,244	-	3,462	39,715	76,459
Current Liabilities	684,169	546,634	366,224	454,736	437,030	400,286
Total Liabilities	802,771	589,878	366,224	458,198	476,745	476,745
INCOME						
Consolidated Gross Sales	2,672,641	2,486,125	2,663,090	2,888,595	2,040,878	1,772,259
Net Sales	2,288,053	2,136,281	2,340,412	2,534,016	1,919,657	1,772,259
Gain on discounting of provision for GIDC	-	-	2,174	10,586	8,541	28,367
Other Income	1,185	17,166	73,877	50,619	34,479	39,811
Total Net Revenue	2,289,238	2,153,447	2,416,463	2,595,221	1,962,677	1,840,437
Profit/ (Loss) before Taxation	(59,394)	(123,156)	(54,301)	370,048	121,851	251,740
Taxation	28,182	32,556	38,133	36,997	37,767	1,722
Profit / (Loss) after Taxation	(87,575)	(155,712)	(92,434)	333,064	84,084	250,018
STATISTICS AND RATIOS						
Pre-Tax Profit to Sales	(3)	(6)	(2)	15	6	14
Pre-Tax Profit to Capital	(30)	(62)	(27)	185	61	126
Current Ratio	1.25	1.42	2.08	2.13	1.76	2.08
Paid-Up Value Per Share (Rs)	5	5	5	5	5	5
Earning Per Share Before Tax(Rs)	(1.48)	(3.08)	(1.36)	9.25	3.05	6.29
Earning Per Share After Tax(Rs)	(2.19)	(3.89)	(2.31)	8.33	2.10	6.25
Cash Dividend %(Rs.)	0.00(00%)	0.00(00%)	0.00(00%)	3.50(70%)	2.00(40%)	5.00(100%)
Bonus Share %	-	-	-	-	-	-
Retained Earning Per Share (Rs)	(2.19)	(3.89)	(2.31)	4.83	0.10	1.25
Break-Up Value Per Share (Rs)	17.65	19.84	23.74	27.54	23.22	24.12



PATTERN OF SHARE HOLDING AS ON JUNE 30, 2026

NO. OF SHARE HOLDERS	SHARE HOLDING	TOTAL SHARES HELD
1172	0000001 TO 0000100	33,219
631	0000101 TO 0000500	179,535
332	0000501 TO 0001000	264,020
478	0001001 TO 0005000	1,234,401
102	0005001 TO 0010000	796,317
41	0010001 TO 0015000	514,710
19	0015001 TO 0020000	343,146
10	0020001 TO 0025000	223,967
9	0025001 TO 0030000	261,068
6	0030001 TO 0035000	195,915
4	0035001 TO 0040000	152,679
4	0040001 TO 0050000	178,828
5	0050001 TO 0070000	309,446
3	0070001 TO 0075000	218,700
6	0075001 TO 0100000	535,517
8	0100001 TO 0200000	1,141,204
3	0200001 TO 0300000	671,057
3	0300001 TO 0500000	1,067,553
4	0500001 TO 2000000	3,851,073
3	2000001 TO 3000000	8,766,424
2	3000001 TO 5000000	9,582,891
1	5000001 TO 9500000	9,478,330
2846		40,000,000

S.NO.	CATEGORY OF SHAREHOLDERS	NUMBER OF SHAREHOLDERS	NUMBER OF SHARES HELD	PERCENTAGE OF ISSUED CAPITAL
1	Directors, CEO & Their Spouses	7	20,301,455	50.75%
2	Associated Companies, Undertakings & Related Parties	10	6,636,027	16.59%
3	Shareholder holding 10% or more	1	4,790,000	11.98%
4	Bank DFIs, NBFIs & Financial Institutions	6	13,096	0.03%
5	Insurance Companies	3	201,000	0.50%
6	Modaraba	1	166	0.00%
7	Joint Stock Companies	20	435,194	1.09%
8	Charitable & Other Trusts	4	229,996	0.57%
9	General Public (Local / Foreign)	2,794	7,393,066	18.48%
	TOTAL	2,846	40,000,000	100%



PATTERN OF SHAREHOLDING AS ON JUNE 30, 2026

Category #	Shareholders' Category	Number of Shareholders	Number of Shares Held	Category Wise Shares Held	Percentage
1	Directors, Chief Executive Officer & Their Spouses			20,301,455	50.75
	Mr. Gaffar A. Habib (Direct Shareholding)	1	637,076		
	Mr. Gaffar A. Habib (Shareholding held as Nominee on behalf of Mrs. Nishat G. Habib)	-	2,301,916		
	Mr. Owais G. Habib	1	9,478,330		
	Mr. Tufail Y. Habib	1	3,089,742		
	Ms. Fatemah G. Habib	1	4,792,891		
	Mr. Asad R. Premjee	1	500		
	Mr. Adil Ahmed Chapra	1	500		
	Mr. Faisal Adamjee	1	500		
2	Associated Companies, Undertakings and Related Parties			6,636,027	16.59
	M/s. Ahmad Habib Foundation	1	858,245		
	M/s. Hydari Boring & Pilling (Pvt) Limited	1	18,000		
	M/s. Abbas Builders (Pvt) Limited	1	1,373		
	M/s. Indus Oil Expellers (Pvt) Limited	1	200		
	Related Parties	6	5,758,209		
3	Shareholders holding 10% or more			4,790,000	11.98
	Mrs. Sajida Sagarwala	1	4,790,000		
4	Bank DFIs, NBFIs & Financial Institutions	6	13,096	13,096	0.03
5	Insurance Companies	3	201,000	201,000	0.50
6	Modaraba	1	166	166	0.00
7	Joint Stock Companies	20	435,194	435,194	1.09
8	Charitable & Other Trusts	4	229,996	229,996	0.57
9	General Public			7,393,066	18.48
	a. Local	2793	7,392,313		
	b. Foreign	1	753		
	Total	2,846	40,000,000	40,000,000	100.00

SHARE HOLDERS HOLDING FIVE PERCENT OR MORE VOTING INTEREST IN THE LISTED COMPANY

Name(s) of Shareholder(s)	Number of Shareholders	Number of Shares Held	Percentage
Mr. Owais G. Habib	1	9,478,330	23.70%
Ms. Fatemah G. Habib	1	4,792,891	11.98%
Mrs. Sajida Sagarwala	1	4,790,000	11.98%
Mr. Tufail Y. Habib	1	3,089,742	7.72%
Mr. Gaffar A. Habib (Direct and Nominee Shareholding)	1	2,938,992	7.35%
Mr. Ghulam Abbas Y. Habib	1	2,737,690	6.84%
TOTAL		27,827,645	69.57%

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

Habib Rice Products Ltd. Year Ended June 30, 2026

The Company has complied with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (COCG / Regulations) in the following manner:

1. The total number of Directors are 7 as per the following:

- a. Male: 6
- b. Female: 1

2. The composition of board is as follows:

Category	Names
i. Independent Director	Mr. Asad R. Premjee Mr. Adil Ahmed Chapra Mr. Faisal Adamjee
ii. Non-Executive Directors	Mr. Gaffar A. Habib
iii. Executive Directors	Mr. Owais G. Habib Mr. Tufail Y. Habib
iv. Non-Executive Female Directors	Ms. Fatemah G. Habib

3. The Directors have confirmed that none of them is serving as a director on more than seven listed Companies, including this Company;
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
5. The Board has developed and approved the vision and mission statement, overall corporate strategy and most of the significant policies of the Company. However, a few significant policies are currently in the process of being developed and are yet to be formally approved by the Board. Accordingly, the Company is in the process of achieving full compliance with the requirement to maintain a complete record of all significant policies, together with their respective dates of approval or updating;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. Five directors have been trained under Directors' Training Program. One Director of the Company is exempt from the requirement of Directors' Training Program. Training under Directors' Training Program for one Director elected in the Election of Directors held on 03rd June 2026, may be completed within one year from the date of the election.

10. The board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed following committees comprising of members given below:-

a) Audit Committee:

Name	Designation
Mr. Gaffar A. Habib	Member
Ms. Fatemah G. Habib	Member
Mr. Asad R. Premjee	Chairman
Mr. Adil Ahmed Chapra	Member

b) HR and Remuneration Committee:

Name	Designation
Mr. Gaffar A. Habib	Member
Mr. Tufail Y. Habib	Member
Ms. Fatemah G. Habib	Member
Mr. Adil Ahmed Chapra	Chairman

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
14. The frequency of meetings of the committees were as per following:
 - a) Audit Committee 04 during the year
 - b) HR and Remuneration Committee 01 during the year

The Audit Committee meeting for the first quarter of the financial year was not held within the prescribed period due to circumstances beyond the control of the Company. However, the meeting was held subsequently.

15. The Board has set up an effective internal audit function. The Head of Internal Audit is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company;
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan (ICAP) and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all other requirements of the regulations 3, 6, 7, 8, 32, 33 and 36 of the Regulations have been complied with. Further, we confirm that all requirements of regulation 27 however have been complied with except for matter referred to in clause 14 above.
19. Explanation for non - compliance with requirements, other than regulation 3, 6, 7, 8, 27, 32, 33, and 36 are below :



Habib Rice Products Ltd.

Sr.	Reference	Description	Explanation
1	Regulation 10A	The board is responsible for governance and oversight of sustainability risks and opportunities, including DE&I policies, formation of a sustainability committee, and periodic monitoring of sustainability strategies, as required under Regulation 10A of the Code and SECP ESG Disclosure Guidelines.	The Company is in the process of enhancing its governance and oversight framework for sustainability-related risks and opportunities, including DE&I practices, sustainability governance responsibilities, and periodic monitoring and reporting of sustainability matters, in alignment with the requirements of Regulation 10A of the Code and the SECP ESG Disclosure Guidelines. The Company falls under the third phase of implementation under the SECP ESG Disclosure Guidelines, pursuant to which the applicable reporting requirements will become effective for annual reporting periods beginning on or after July 1, 2031. Accordingly, the Company will continue to strengthen its sustainability governance and reporting framework in line with the applicable regulatory requirements and the prescribed implementation timeline.
2	Statement of Compliance Point 5 and Regulation 10 (4)	The Board shall ensure that complete record of particulars of the significant policies along with their dates of approval or updating is maintained by the company, as required under the Code.	The Board has developed and approved the vision and mission statement, overall corporate strategy and most of the significant policies of the Company. However, certain significant policies are currently in the process of being developed and are yet to be formally approved by the Board. Accordingly, the Company is in the process of achieving full compliance with the requirement to maintain a complete record of all significant policies, together with their respective dates of approval or updating.
3	19(3)	Directors' Training Program for at least one Head of Department	During the year, the Company did not arrange the Directors' Training Program (DTP) for at least one Head of Department, as encouraged under the applicable SECP regulations. The Company Secretary, who joined the Company during the year, had already obtained the DTP Certificate prior to joining. Accordingly, the DTP for the remaining Head(s) of Department is planned to be completed during the next financial year.
4	35	Disclosure of significant policies on website	The Company has maintained the requisite significant policies in accordance with the applicable regulatory and corporate governance requirements. The relevant policies are available in the Company's records and shall be made available on the Company's website in due course.

OWAIS G. HABIB
Chief Executive Officer

GAFFAR A. HABIB
Chairman

Karachi: September 22, 2026



INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Habib Rice Products Limited

**Review Report on the Statement of Compliance
contained in Listed Companies (Code of Corporate
Governance) Regulations, 2019**

**Grant Thornton Anjum
Rahman**

1st & 3rd Floor,
Modern Motors House,
Beaumont Road,
Karachi, Pakistan.

T +92 21 35672951-56

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Habib Rice Products Limited (the Company) for the year ended June 30, 2026 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2026.

Further, we highlight below instances of non-compliance with the requirements of the Regulations as reflected in the note/paragraph reference where these are stated in the Statement of Compliance:



Sr.	Reference	Description
1	Statement of Compliance Point 19 and Regulation 10A	The Company is yet to address the sustainability risks and opportunities including formation of the sustainability committee.
2	Statement of Compliance Point 14 and Regulation 27(2)(i)	The audit committee of the company did not meet in the first quarter of the financial year.
3	Statement of Compliance Point 5 and Regulation 10(4)	Significant policies are not yet approved.
4	Statement of Compliance Point 19 and regulation 19(3)	During the year, the Company did not arrange the Directors' Training Program (DTP) for at least one Head of Department.
5	Statement of Compliance Point 19 and regulation 35	The Company has not disclosed significant policies on its website.

Amal - Tah
Chartered Accountants

Karachi

Dated: September 28, 2026

UDIN: CR202610154jqwXQ3Joa



INDEPENDENT AUDITOR'S REPORT
To the members of Habib Rice Products Limited

**Grant Thornton Anjum
Rahman**

1st & 3rd Floor,
Modern Motors House,
Beaumont Road,
Karachi, Pakistan.

Report on the Audit of the Financial Statements

T +92 21 35672951-56

Opinion

We have audited the annexed financial statements of **Habib Rice Products Limited** (the Company), which comprise the statement of financial position as at **June 30, 2026**, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2026 and of the loss and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Following are the key audit matters:

S. No.	Key Audit Matters	How the matters were addressed in our audit
1.	Revenue Recognition The Company is engaged in the production and sale of rice based starch sugar and proteins in the local and export market. Revenue from the sale of goods is recognized when performance obligations are satisfied by transferring control of the promised goods to the customer. Control is transferred at a point in time, either upon shipment or delivery of goods, depending on the terms of sale. We considered revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Company, large number of revenue transactions with a large number of customers in various geographical locations and inherent risk of material misstatement.	In response to this matter, our audit procedures included the following: • Obtained an understanding of, and evaluating, the design and implementation of controls over revenue recognition; • Tested, on a sample basis, revenue transactions recorded during the year by comparing them with supporting documents such as sales orders, invoices, delivery documents, and other relevant records; • Performed cut-off testing by selecting a sample of revenue transactions recorded before and after year end to assess whether revenue was recognized in the appropriate accounting period; • Evaluated the appropriateness of the Company's accounting policies for revenue recognition in line with the applicable accounting and reporting standards; and • Assessed the adequacy of the related disclosures in the financial statements in accordance with the applicable accounting and reporting requirements in Pakistan.
2.	Valuation of Stock-in-trade As at June 30, 2026 the Company's total stock-in-trade balance amounting to Rs. 532.39 million as disclosed in note 9, which represents 62% of the total current assets of the Company. The value of stock-in-trade is based on the weighted average cost method for raw and packing material, cost of direct	In response to this matter, our audit procedures included the following: • Reviewed the management procedure for valuation of stock-in-trade and evaluating the NRV of stock-in-trade. • Observed physical counts at major locations to ascertain the condition and existence of stock-in-trade.



material plus conversion cost valued on the basis of equivalent production units for work in process and cost of direct material, labour and proportion of manufacturing overheads for finished goods, and purchase price, freight value and other charges incurred thereon up to the date of the statement of financial position for stock in transit. The Company is required to measure its stock-in-trade at the lower of weighted average cost and NRV. There is an element of judgement involved relating to the valuation, which is required for the estimation of the net realizable value and allowance for slow-moving and obsolete stock-in-trade. Such estimation is made after taking into consideration factors such as movement in prices, current and expected future market demands and pricing competitions. This was the key audit matter because of its materiality and significance in terms of judgements involved in estimating the NRV of underlying stock-in-trade.	• Tested the valuation method used by the management in valuation of stock in trade. • Reviewed stock-in-trade turnover ratios, understood and tested for obsolete stock-in- trade, tested the cost of goods with underlying invoices and expenses incurred in accordance with stock-in- trade valuation method and reviewed the minutes of the relevant meetings at the board and management level to identify any indicators of obsolescence. • Compared the NRV to the cost of stock in trade whether any adjustment is required to value stock in trade in accordance with the accounting policy; and • Assessed the adequacy of the disclosures on stock-in-trade in these financial statements.
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Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is **Muhammad Khalid Aziz**.



Chartered Accountants

Karachi

Date: September 28, 2026

UDIN: AR202610154OZ9adegQt

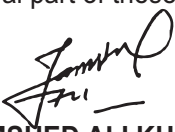
STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2026

	NOTE	2026 RUPEES	2025 RUPEES
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	4	635,687,906	581,014,206
Right-of-use assets	5	13,078,318	13,181,115
Long-term deposits	6	1,660,221	1,061,249
		<u>650,426,445</u>	<u>595,256,570</u>
CURRENT ASSETS			
Stores, spares parts and loose tools	8	125,319,329	120,073,257
Stock in trade	9	532,392,274	456,946,103
Trade debts - considered good	10	11,792,793	26,305,128
Loan and advances	11	54,295,379	59,629,527
Trade deposits, prepayments and other receivable	12	3,592,503	6,290,544
Short-term deposits	13	7,819,241	7,819,241
Due from a related party		-	491,659
Short-term investments	14	224,766	210,655
Taxation - net	15	112,077,557	99,623,653
Cash and bank balances	16	10,956,676	10,933,122
		<u>858,470,518</u>	<u>788,322,889</u>
Total assets		<u>1,508,896,963</u>	<u>1,383,579,459</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Issued, subscribed and paid up share capital	17.2	200,000,000	200,000,000
Reserves		<u>506,126,443</u>	<u>593,701,609</u>
		706,126,443	793,701,609
NON-CURRENT LIABILITIES			
Long-term financing	18	113,800,000	38,000,000
Lease liabilities	19	4,801,130	5,243,614
		<u>118,601,130</u>	<u>43,243,614</u>
CURRENT LIABILITIES			
Current maturity of lease liabilities	19	9,179,692	3,483,656
Short-term borrowing - secured	20	171,517,714	-
Provision for gas infrastructure development cess	21	229,344,757	229,344,757
Trade and other payables	22	249,054,636	288,415,210
Due to a related party		-	300,000
Unclaimed dividend	23	25,072,591	25,090,613
Total Liabilities		<u>684,169,390</u>	<u>546,634,236</u>
Total equity and liabilities		<u>1,508,896,963</u>	<u>1,383,579,459</u>
CONTINGENCIES AND COMMITMENTS			
	24		

The annexed notes from 1 to 44 form an integral part of these financial statements.


OWAIS G. HABIB
 Chief Executive Officer


JAMSHED ALI KHAN
 Chief Financial Officer


GAFFAR A. HABIB
 Chairman

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2026

	NOTE	2026 RUPEES	2025 RUPEES
Sales - net	25	2,288,052,918	2,136,281,090
Cost of goods sold	26	(2,087,361,939)	(1,966,289,863)
Gross profit		200,690,979	169,991,227
Distribution costs	27	(99,072,124)	(159,980,837)
Administrative expenses	28	(143,139,714)	(141,134,524)
Other expenses	29	(2,428,964)	(1,635,742)
Other income	30	1,185,429	17,166,129
Finance costs	31	(16,629,244)	(7,562,593)
Loss before levies, minimum tax and final tax		(59,393,638)	(123,156,340)
Levies, minimum tax and final tax	32	(28,181,528)	(26,214,276)
Loss after levies, minimum tax and final tax		(87,575,166)	(149,370,616)
Taxation	33	-	(6,341,379)
Net loss for the year		(87,575,166)	(155,711,995)
Loss per share - basic and diluted	34	(2.19)	(3.89)

The annexed notes from 1 to 44 form an integral part of these financial statements.



OWAIS G. HABIB
Chief Executive Officer



JAMSHED ALI KHAN
Chief Financial Officer



GAFFAR A. HABIB
Chairman

STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2026

	2026 RUPEES	2025 RUPEES
Net loss for the year	(87,575,166)	(155,711,995)
Other comprehensive income	-	-
Total comprehensive loss for the year	<u>(87,575,166)</u>	<u>(155,711,995)</u>

The annexed notes from 1 to 44 form an integral part of these financial statements.



OWAIS G. HABIB
Chief Executive Officer



JAMSHED ALI KHAN
Chief Financial Officer



GAFFAR A. HABIB
Chairman



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2026

Particulars	Issued, subscribed and paid -up capital	Reserves				Total Equity
		Capital reserves	Revenue reserves		Total Reserves	
			Share premium	General reserve		
----- Rupees -----						
As at 30 June 2024	200,000,000	10,000,000	50,000,000	689,413,604	749,413,604	949,413,604
Net loss for the year	-	-	-	(155,711,995)	(155,711,995)	(155,711,995)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(155,711,995)	(155,711,995)	(155,711,995)
As at 30 June 2025	200,000,000	10,000,000	50,000,000	533,701,609	593,701,609	793,701,609
Net loss for the year	-	-	-	(87,575,166)	(87,575,166)	(87,575,166)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(87,575,166)	(87,575,166)	(87,575,166)
As at 30 June 2026	200,000,000	10,000,000	50,000,000	446,126,443	506,126,443	706,126,443

The annexed notes from 1 to 44 form an integral part of these financial statements.

OWAIS G. HABIB
Chief Executive Officer

JAMSHED ALI KHAN
Chief Financial Officer

GAFFAR A. HABIB
Chairman

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2026

	NOTE	2026 RUPEES	2025 RUPEES
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	35	(83,002,093)	28,130,979
Taxes and levies paid		(40,635,432)	(36,759,531)
Finance costs paid		(5,645,070)	(3,792,532)
Long term deposits - net		(598,972)	(1,061,249)
		(46,879,474)	(41,613,312)
Net cash used in operating activities		(129,881,567)	(13,482,333)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(101,640,280)	(114,537,458)
Investments - net		(224,766)	254,450
Profit on term receipts and interest savings accounts received		587,901	17,167,810
Dividend income received - mutual funds		184	8,279
Proceeds from disposal of operating fixed assets		5,000	-
Net cash used in investing activities		(101,271,961)	(97,106,919)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(18,022)	-
Short term borrowing obtained		100,000,000	-
Long term financing obtained		75,800,000	38,000,000
Lease rentals paid		(16,333,265)	(16,999,354)
Net cash generated from financing activities		159,448,713	21,000,646
Net decrease in cash and cash equivalents		(71,704,815)	(89,588,606)
Cash and cash equivalents at beginning of the year		11,143,777	100,732,383
Cash and cash equivalents at end of the year	16.2	(60,561,038)	11,143,777

The annexed notes from 1 to 44 form an integral part of these financial statements.


OWAIS G. HABIB
Chief Executive Officer


JAMSHED ALI KHAN
Chief Financial Officer


GAFFAR A. HABIB
Chairman

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2026

1 THE COMPANY AND ITS OPERATIONS

Habib Rice Products Limited (the "Company") is a public company limited by shares, incorporated in Pakistan on 10 July 1980 and is listed on the Pakistan Stock Exchange. The Company is engaged in the production of rice based starch sugar and proteins. The registered office of the Company is situated at 2nd Floor, UBL Building, I.I Chundrigar Road, Karachi, Sindh.

1.1 Geographical Location and Address of Business Units / Plant:

Location	Purpose	Covered area
Plot # A-25, A-26, A-27 Quetta Industrial Area and Trading Estate, Quetta, Balochistan	Leasehold Land	1.21 acres
Hub Industrial Area, District Lasbela, Balochistan	Leasehold Land	42 acres
Hub Industrial Area, District Lasbela, Balochistan	Production Plant	32 acres
Phase 6, Pakistan Defence Officers Housing Authority, Karachi, Sindh	Admin Office	-
Plot # 92, New Anaj Mandi, Miro Khan Road, Quetta Road, Larkana, Sindh	Warehouse	0.0436 acres
House # 4-C, 3/4 Nazimabad # 4 near Hadi Market, Karachi, Sindh	Sales office and warehouse	-
Plot # S/42, SITE, Karachi, Sindh	Leasehold land	1 acre

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 New and Amended Standards And Interpretations to Approved Accounting Standards

2.2.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2026.

There were certain amendments to accounting and reporting standards which became effective for the year ended June 30, 2026. These standards, amendments and interpretations are either not relevant to the Company's operation or did not have significant impact on the financial statements other than certain additional disclosures.

2.2.2 New accounting standards, amendments and interpretations that are not yet effective.

The following standards, amendments and interpretations are only effective for accounting periods beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' Amendments regarding translations to a hyperinflationary presentation currency	January 01, 2026
IFRS 17 'Insurance Contracts'	January 01, 2026
IFRS 18 'Presentation and Disclosures in Financial Statements' (including consequential amendments to IFRS 8 'Operating Segments')	January 01, 2026
IFRS 19 'Subsidiaries without Public Accountability: Disclosures'	January 01, 2026

2.2.3 Standards, amendments and interpretations to the published standards that are not yet notified by the Securities and Exchange Commission of Pakistan (SECP)

Further, certain IFRS have been issued by the International Accounting Standards Board (IASB) which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

2.3 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for certain items as disclosed in the relevant accounting policies below.

2.4 Functional and presentation currency

These financial statements are presented in Pakistan Rupee (Rs. / Rupees) which is the Company's functional currency. Amounts presented in the financial statements have been rounded off to the nearest of Rs. / Rupees, unless otherwise stated.

2.5 Key judgements and estimates

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

- a) Useful lives, residual values and depreciation method of property, plant and equipment (note 3.1 & 4)
- b) Assessment of the lease term , discount rate and depreciation method of right of use of assets (note 3.2 & 5)
- c) Provision for slow moving and obsolete inventory (note 3.5 and 3.6)
- d) Stock in trade: The Company reviews the net realizable value of stock-in-trade at each reporting date to assess any diminution in the respective carrying values (note 3.6)
- e) Provision (note 3.10)
- f) Current income tax expense, provision for current tax and recognition of deferred tax asset - (note 3.15)
- g) Contingencies (note 3.20)

3 MATERIAL ACCOUNTING POLICY INFORMATION

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

3.1 Property, plant and equipment

3.1.1 Operating fixed assets

Initial recognition

The cost of an item is recognised as an asset if and only if the future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Measurement Operating fixed assets are stated at cost less any accumulated depreciation and any accumulated impairment losses except leasehold land which is stated at cost. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent Cost

Expenditures incurred to replace a significant component of an item of property, plant and equipment is capitalised and the asset so replaced is retired. Other subsequent expenditure is capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the items can be measured reliably. All other expenditures (including normal repairs and maintenance) are recognised in the unconsolidated statement of profit or loss as an expense when these are incurred.

Depreciation

Depreciation is charged using reducing balance method and rate of depreciation on above are specified in the note 4 of these financial statements. Depreciation on additions is charged from the quarter the asset is available for use and no depreciation is charged in the quarter of disposal. Depreciation methods, useful lives and residual values of each part of property, plant and equipment that is significant in relation to the total cost of the asset are reviewed, and adjusted if appropriate, at each reporting date.

Gains or losses on disposal

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, and is recognized in the statement of profit or loss.

3.1.2 Capital work-in-progress

These are stated at cost less accumulated impairment losses, if any. All expenditure connected with specific assets incurred during installation and construction period, including advances are carried under this head. These are transferred to specific assets as and when these assets are available for use.

3.2 Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated using straight line method over the lease term. Right-of-use assets are subject to impairment. The depreciation rates used are stated in note 5 to the financial statements.

3.3 Impairment of non-financial assets

The carrying amounts of non-financial assets other than inventories and deferred tax assets are assessed at date of statement of financial position to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognised, as an expense in the statement of profit or loss. The recoverable amount is the higher of an asset's fair value less cost to disposal and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets.

3.4 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.4.1 Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; Fair Value through Other Comprehensive Income (FVOCI) or Fair Value through Profit or Loss (FVTPL). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Based on the business model of the Company, the financial assets of the Company are measured and classified as follows:

- Short-term investments in listed equity securities and mutual fund units are designated at FVTPL. These are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.
- Trade debts and other financial assets are measured at amortised cost using the effective interest rate method less an allowance for expected credit losses (ECLs), if any.

3.4.2 Financial liabilities

All financial liabilities are recognised initially at fair value and, in the case of payables, net of directly attributable transaction costs. For the purpose of subsequent measurement financial liabilities are recognised at amortised cost.

3.4.3 Impairment of financial assets

The Company recognises an allowance for Expected credit losses (ECLs) for all debts instruments not held at FVTPL.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

At each date of statement of financial position, the Company assesses whether financial assets are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the respective asset.

The Company uses the standard's simplified approach and calculates ECLs based on life time ECLs on its financial assets. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the financial assets and the economic environment.

3.4.4 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.5 Stores, spare parts and loose tools

These are stated at the lower of NRV and weighted average cost.

Stores in hand, spare parts and loose tools - Purchase cost and other direct expenses on weighted average basis;

Items-in-transit are valued at purchase price, freight value and other charges incurred thereon up to the date of the statement of financial position.

3.6 Stock-in-trade

These are stated at the lower of NRV and cost determined as follows:

- Raw and packing material - Purchase cost and other direct expenses on weighted average basis;

- Work-in-process - Cost of direct material plus conversion cost valued on the basis of equivalent production units;
- Finished goods - Cost of direct material, labour and proportion of manufacturing overheads;

Stock-in-transit is valued at purchase price, freight value and other charges incurred thereon up to the date of the statement of financial position.

NRV signifies the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

3.7 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term bank deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

3.8 Employee retirement benefits – defined contribution plan

The Company operates a recognised provident fund scheme for all its employees who are eligible for the scheme in accordance with the Company's policy. Contributions in respect thereto are made at the rate of 8.33 percent of employees monthly basic salaries as per the terms of the scheme. The investments out of provident fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

3.9 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received whether or not billed to the Company.

3.10 Provisions

Provisions are recognised when the Company has a present, legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

3.11 Lease liabilities

The Company assesses at contract inception whether a contract is, or contains, a lease, i.e. if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company applies a single recognition and measurement approach for all leases, except for short-term leases. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the commencement date of the lease if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

3.12 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

3.13 Revenue recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable and is recognized on following basis:

- Revenue is recognised at amounts that reflect the consideration that the Company expects to be entitled to in exchange for transferring goods or services to a customer. Revenue is measured at the fair value of the consideration received or receivable. The Company recognises revenue when performance obligation is satisfied, at a point in time, when control of goods have been transferred to a customer either on dispatch / acceptance of goods for local sales or issuance of the bill of lading in case of export sales. Control, depending on contractual terms, is considered to be transferred either when the product is directly uplifted by customer from the Company premises or when it is delivered by the Company at customer premises.

3.14 Other Income

Other income is recognised to the extent it is probable that economic benefit will flow to the Company and the amount can be measured reliably. Other income is measured at fair value of the consideration received or receivable and recognised on following basis:

- Profit on deposits with banks is recognized on time proportion basis taking into account the amount outstanding and rates applicable thereon.
- Dividend income is recognized when the Company's right to receive the payment is established.
- Interest on loans and advances to employees is recognized on the effective interest method.
- Income from sale of scrap is recorded on delivery of scrap to the customer.

3.15 Taxation

Current

The charge for current taxation is based on taxable income at the current rates in accordance with Income Tax Ordinance, 2001.

Pursuant to the release of circular 7/2024 by the Institute of Chartered Accountants of Pakistan, the Company has elected to change the method of accounting for minimum taxes and final taxes.

Minimum tax

The Company has elected to designate the amount calculated on taxable income using the enacted tax rate as an income tax within the scope of IAS 12 'Income Taxes' and recognize it as current income tax expense. Any excess over the amount designated as income tax, will then be recognized as a levy falling under the scope of IFRIC 21 / IAS 37.

Final tax

As computation of final taxes under provisions of ITO, 2001 is not based on taxable income, therefore, final taxes fall under levy within the scope of IFRIC 21/IAS 37 and not income tax in the statement of profit or loss.

Deferred

Deferred tax is provided in full using the balance sheet liability method on all temporary differences arising at the reporting date, between the tax bases of the assets and the liabilities and their carrying amounts. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which these can be utilised. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on tax rates that have been enacted or substantively enacted by the reporting date.

3.16 Dividends and appropriations to reserves

Dividends and appropriations to reserves are recognised in the financial statements in the period in which these are approved. Transfer between reserves made subsequent to the statement of financial position date is considered as a non-adjusting event and is recognised in the financial statements in the period in which such transfers are made.

3.17 Foreign currency transactions

Transactions denominated in foreign currencies are recorded on initial recognition in Pak. Rupees, by applying to the foreign currency amount the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into Pak. Rupees equivalents using the exchange rate at the reporting date. Exchange differences are included in the statement of profit or loss.

3.18 Operating segments

For management purposes, the activities of the Company are organized into one operating segment i.e., production of rice based starch sugar and proteins. The Company operates in the said reportable operating segment based on the nature of the products, risks and returns, organizational and management structure, and internal financial reporting systems. Accordingly, the figures reported in the financial statements are related to the Company's only reportable segment.

3.19 Earnings per share

The Company presents basic and diluted Earnings Per Share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding adjusted for the effects of all dilutive potential ordinary shares.

3.20 Contingent liabilities

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of obligation cannot be measured with sufficient reliability.

	Note	2026 RUPEES	2025 RUPEES
4 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	507,235,847	488,785,463
Capital work-in-progress	4.5	128,452,059	92,228,743
		<u>635,687,906</u>	<u>581,014,206</u>



Habib Rice Products Ltd.

4.1 Operating fixed assets

	COST					ACCUMULATED DEPRECIATION				NET BOOK VALUE	Depreciation Rate
2026	As at July 01, 2025	Additions	Transfers (note 4.5)	Disposals (note 4.3)	As at June 30, 2026	As at July 01, 2025	Charge for the year (note 4.4)	On disposals	As at June 30, 2026	As at June 30, 2026	
----- Rupees -----											
Leasehold land	51,205,696	-	-	-	51,205,696	-	-	-	-	51,205,696	-
Buildings on leasehold land:											
- Factory building	122,825,313	183,739	1,144,131	-	124,153,183	99,326,327	2,305,279	-	101,631,606	22,521,577	10%
- Factory office	7,086,750	-	-	-	7,086,750	3,901,068	156,322	-	4,057,390	3,029,360	5%
- Pavement and ponds	9,303,700	-	-	-	9,303,700	6,510,530	137,062	-	6,647,592	2,656,108	5%
Larkana office premises	759,358	-	-	-	759,358	576,967	8,949	-	585,916	173,442	5%
Plant and machinery	1,168,716,574	11,798,068	47,895,152	1,684,710	1,226,725,084	785,136,359	38,984,634	878,918	823,242,075	403,483,009	10%
Furniture and fixtures	7,089,004	1,328,656	309,220	-	8,726,880	5,118,886	248,492	-	5,367,378	3,359,502	10%
Tubewell	175,000	-	-	-	175,000	164,530	1,009	-	165,539	9,461	10%
Office and electrical equipment	5,214,241	223,274	-	-	5,437,515	4,692,320	59,696	-	4,752,016	685,499	10%
Computers	8,591,733	564,540	-	-	9,156,273	7,091,059	511,695	-	7,602,754	1,553,519	30%
Laboratory equipment	7,968,945	-	-	-	7,968,945	6,109,653	179,072	-	6,288,725	1,680,220	10%
Vehicles	110,425,592	1,970,184	-	43,500	112,352,276	92,022,850	3,561,040	39,977	95,543,913	16,808,363	20%
Boat	415,000	-	-	-	415,000	412,223	515	-	412,738	2,262	20%
Warehouse	218,996	-	-	-	218,996	147,667	3,500	-	151,167	67,829	5%
	1,499,995,902	16,068,461	49,348,503	1,728,210	1,563,684,656	1,011,210,439	46,157,265	918,895	1,056,448,809	507,235,847	

	COST				ACCUMULATED DEPRECIATION			NET BOOK VALUE	Depreciation Rate
2025	As at July 01, 2024	Additions	Transfers (note 4.3)	As at June 30, 2025	As at July 01, 2024	Charge for the year (note 4.2)	As at June 30, 2025	As at June 30, 2025	
	----- Rupees -----								
Leasehold land	51,205,696	-	-	51,205,696	-	-	-	51,205,696	-
Buildings on leasehold land:									
- Factory building	121,757,136	64,147	1,004,030	122,825,313	96,901,113	2,425,214	99,326,327	23,498,986	10%
- Factory office	7,086,750	-	-	7,086,750	3,736,679	164,389	3,901,068	3,185,682	5%
- Pavement and ponds	9,303,700	-	-	9,303,700	6,366,396	144,134	6,510,530	2,793,170	5%
Larkana office premises	759,358	-	-	759,358	567,554	9,413	576,967	182,391	5%
Plant and machinery	1,147,589,785	3,547,434	17,579,355	1,168,716,574	745,850,010	39,286,349	785,136,359	383,580,215	10%
Furniture and fixtures	6,815,857	187,530	85,617	7,089,004	4,888,325	230,561	5,118,886	1,970,118	10%
Tubewell	175,000	-	-	175,000	163,415	1,115	164,530	10,470	10%
Office and electrical equipment	5,214,241	-	-	5,214,241	4,636,694	55,626	4,692,320	521,921	10%
Computers	7,536,070	1,055,663	-	8,591,733	6,603,342	487,717	7,091,059	1,500,674	30%
Laboratory equipment	7,968,945	-	-	7,968,945	5,911,496	198,157	6,109,653	1,859,292	10%
Vehicles	104,327,592	6,098,000	-	110,425,592	88,846,260	3,176,590	92,022,850	18,402,742	20%
Boat	415,000	-	-	415,000	411,590	633	412,223	2,777	20%
Warehouse	218,996	-	-	218,996	143,986	3,681	147,667	71,329	5%
	1,470,374,126	10,952,774	18,669,002	1,499,995,902	965,026,860	46,183,579	1,011,210,439	488,785,463	

4.2 Property plant and equipment of the Company is under equitable mortgage charge against long term & short term finances as mentioned in note no. 18 & 20.

4.3 Following are the particulars of the disposed assets having a book value exceed five hundred thousand rupees.

Description	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain on disposal	Particulars of buyer	Relationship	Mode of disposal	Reason of Disposal
----- Rupees -----									
Plant & Machinery	1,684,710	878,918	805,792	1,206,500	400,708	IGI Insurance	Independent	Scrap	Lost due to fire

4.4 The depreciation charge for the year has been allocated as follows:

	Note	2026 RUPEES	2025 RUPEES
Cost of sales	26.1	44,116,113	43,815,474
Distribution costs	27	1,054,558	1,294,720
Administrative expenses	28	986,594	1,073,385
		<u>46,157,265</u>	<u>46,183,579</u>

4.5 Capital work-in-progress

Balance at the beginning of the year		92,228,743	7,313,061
Capital expenditure incurred / advances made during the year	4.5.1	85,571,819	103,584,684
Transferred to operating fixed assets		<u>(49,348,503)</u>	<u>(18,669,002)</u>
Balance at the end of the year	4.5.2	<u>128,452,059</u>	<u>92,228,743</u>

4.5.1 This includes amount of borrowing cost of Rs. 11.6 million (2025 : 2.06 million) capitalized during the year at the rate of 3-month KIBOR plus 1%.

4.5.2 Capital Work-in-Progress (CWIP) includes costs incurred towards store-related works, assembly of gas generators, and construction of the turbine building, which are currently in progress.

5 RIGHT-OF-USE ASSETS

Note	2026			2025		
	Office	Vehicle	Total	Office	Vehicle	Total
----- (Rupees) -----						
Cost						
Balance at the beginning of the year	71,396,142	9,551,241	80,947,383	57,306,621	-	57,306,621
Remeasurement of lease liabilities	13,570,088	-	13,570,088	14,089,521	-	14,089,521
Additions	-	5,390,750	5,390,750	-	9,551,241	9,551,241
Balance at the end of the year	5.1	<u>84,966,230</u>	<u>14,941,991</u>	<u>71,396,142</u>	<u>9,551,241</u>	<u>80,947,383</u>
Accumulated depreciation						
Balance at the beginning of the year	5.2	<u>66,174,396</u>	<u>1,591,872</u>	<u>67,766,268</u>	<u>51,360,371</u>	<u>-</u>
Charge for the year		<u>14,981,433</u>	<u>4,082,202</u>	<u>19,063,635</u>	<u>14,814,025</u>	<u>1,591,872</u>
Balance at the end of the year		<u>81,155,829</u>	<u>5,674,074</u>	<u>86,829,903</u>	<u>66,174,396</u>	<u>1,591,872</u>
Net book value at the end of the year		<u>3,810,401</u>	<u>9,267,917</u>	<u>5,221,746</u>	<u>7,959,369</u>	<u>13,181,115</u>
Useful life in years		<u>2.0</u>	<u>3.0</u>	<u>2.0</u>	<u>3.0</u>	

5.1 Right-of-use assets represent leased properties for office and depot operations, along with 3 vehicles leased for the 2 staff and a director's official use.

5.2 The depreciation charge for the year has been allocated as follows:

	Note	2026 RUPEES	2025 RUPEES
Distribution costs	27	1,706,942	1,100,820
Administrative expenses	28	17,356,693	15,305,077
		<u>19,063,635</u>	<u>16,405,897</u>

6 LONG-TERM DEPOSITS

Security deposits against leased asset	6.1	<u>1,660,221</u>	<u>1,061,249</u>
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6.1 This represents security deposit placed with Bank Al Habib Limited for 3 vehicles (2025 : 1 vehicle) obtained under a lease arrangement. The lease carries an interest rate equivalent to 3-month KIBOR plus 1% (2025 : 3-month KIBOR plus 1%). The lease term is three years.

	Note	2026 RUPEES	2025 RUPEES
Balance at the beginning of the year		-	6,341,495
Charge for the year		-	-
Reversal	7.2	-	(6,341,495)
Balance at the end of the year		<u>-</u>	<u>-</u>

7.1 Taxable temporary differences arising due to:

Accelerated tax depreciation	(63,602,669)	(60,149,220)
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Deductible temporary differences arising due to:

Provisions	66,509,980	66,509,980
Lease liabilities	4,054,438	2,530,908
Deferred tax asset	<u>6,961,749</u>	<u>8,891,668</u>

7.2 Deferred tax asset amounting to Rs. 6.96 million (2025 : Rs 8.89 million) has not been accounted for in these financial statements and Company believe that they may not be able to utilize the deferred tax asset in full.

8 STORES, SPARE PARTS AND LOOSE TOOLS

Stores:

in-hand	55,805,949	60,941,535
in-transit	9,860,012	-
	65,665,961	60,941,535
Spare parts	59,180,625	58,804,998
Loose tools	472,743	326,724
	<u>125,319,329</u>	<u>120,073,257</u>

	Note	2026 RUPEES	2025 RUPEES
9 STOCK-IN-TRADE			
Raw and packing materials:			
in-hand		164,160,092	109,510,020
in-transit		8,927,149	3,442,611
		173,087,241	112,952,631
Work-in-process		20,906,682	1,263,636
Finished goods		338,398,351	342,729,836
		<u>532,392,274</u>	<u>456,946,103</u>
9.1	Stock in trade of the Company is under charge against long term & short term finances as mentioned in note no. 18 & 20.		
10 TRADE DEBTS - considered good			
Local - unsecured	10.1	<u>11,792,793</u>	<u>26,305,128</u>
10.1	These are neither past due nor impaired.		
10.2 Age analysis of trade debts			
Not Due		11,749,154	25,869,895
More than 1 month but not more than 3 months		-	399,908
More than 3 months		43,639	35,325
		<u>11,792,793</u>	<u>26,305,128</u>
10.3	Trade debts of the Company are under charge against long term & short term finances as mentioned in note no. 18 & 20.		
	Note	2026 RUPEES	2025 RUPEES
11 LOAN AND ADVANCES			
Advance to suppliers - secured	11.1	48,078,000	47,500,000
Advance to suppliers - unsecured		2,578,473	10,546,539
Advance to employees - unsecured		3,508,950	1,519,032
Loan to employees - secured		129,956	63,956
		<u>54,295,379</u>	<u>59,629,527</u>
11.1	This pertains to guarantee cheques paid against installation of a Cogeneration plant.		
12 TRADE DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLE			
Security deposits - unsecured, considered good		352,424	3,945,774
Prepayments		1,529,403	2,323,753
Accrued profit		12,227	5,568
Insurance claim receivable		1,690,000	-
Others		8,449	15,449
		<u>3,592,503</u>	<u>6,290,544</u>



	Note	2026 RUPEES	2025 RUPEES
13 SHORT-TERM DEPOSITS			
Security deposits			
Nazir of High Court of Sindh	13.1	1,934,560	1,934,560
Utilities		3,078,681	3,078,681
Leased office lease		1,590,000	1,590,000
Others		1,216,000	1,216,000
		<u>7,819,241</u>	<u>7,819,241</u>
13.1	This relates to the amount deposited with the Nazir in accordance with High Court directives, pertaining to a disputed gas amount. During the previous year, an out-of-court settlement was reached but remaining amount of Rs. 1.9 million is yet to be received		
14 SHORT-TERM INVESTMENTS			
At amortised cost			
Term deposit receipt	14.1	219,966	210,655
At fair value through profit or loss			
Mutual fund units		4,800	-
		<u>224,766</u>	<u>210,655</u>
14.1	These carry profit rates ranging from 10.3% to 10.8% (2025: 11% to 14.25%) per annum & are held with Pak Oman Investment Company Limited having maturity within 12 months (2025: 3 months).		
15 TAXATION - NET			
Opening refundable balance		99,623,653	89,078,282
Add: Tax Paid during the year		40,635,432	36,759,531
Less: Provision for current year		(28,181,528)	(26,214,276)
Add: Provision for prior year		-	116
		<u>112,077,557</u>	<u>99,623,653</u>
16 CASH AND BANK BALANCES			
Bank balances:			
Current accounts:			
Local currency		4,973,055	3,909,120
Foreign currency		2,121,359	1,965,251
		<u>7,094,414</u>	<u>5,874,371</u>
Savings accounts:			
Local currency	16.1	2,638,198	3,641,979
Cash in-hand		1,224,064	1,416,772
		<u>10,956,676</u>	<u>10,933,122</u>
16.1	These carry profit rates ranging between 9.25% to 9.75% (2025: 9.25% to 19%) per annum.		

	Note	2026 RUPEES	2025 RUPEES
16.2 Cash and cash equivalent			
Term deposit receipts	14	-	210,655
Short-term running finance - secured	20	(71,517,714)	-
Cash and bank balances	16	10,956,676	10,933,122
		<u>(60,561,038)</u>	<u>11,143,777</u>

17 SHARE CAPITAL

17.1 Authorised share capital

2026 ---Number of Shares---	2025	Note	2026 RUPEES	2025 RUPEES
60,000,000	60,000,000	Ordinary shares of Rs. 5/-.	300,000,000	300,000,000

17.2 Issued, subscribed and paid up share capital

2026 ---Number of Shares---	2025	Note	2026 RUPEES	2025 RUPEES
15,000,000	15,000,000	Ordinary shares of Rs. 5/- each	75,000,000	75,000,000
25,000,000	25,000,000	Ordinary shares allotted as bonus shares.	125,000,000	125,000,000
40,000,000	40,000,000	17.3	200,000,000	200,000,000

17.3 The shareholders are entitled to receive all distributions including dividends and other entitlements in the form of cash, bonus and right shares as and when declared by the Company. All shares carry one vote per share without restriction.

	Note	2026 RUPEES	2025 RUPEES
18 LONG-TERM FINANCING			
Long-term financing facility	18.1 & 18.2	113,800,000	38,000,000
Less: Current maturity		-	-
		<u>113,800,000</u>	<u>38,000,000</u>

18.1 This represents financing facility obtained from Bank Al Habib Limited (BAHL). Loan is repayable in 8 quarterly installments at a mark-up rate of KIBOR plus 1% per quarter (2025: KIBOR plus 1% per quarter). In addition to that repayment will start after one year of grace period once the complete disbursement of Rs. 300 million has been made. The mark-up is payable on quarterly basis in arrear.



18.2 This loan and all the other financing facilities of the Company are cumulatively secured by a first registered pari passu hypothecation charge over stocks and book debts amounting to Rs. 266.67 million with 25% margin on stocks and 10% on receivables, lien over export LC's, vehicle to be registered in the name of BAHIL with 10% margin, import documents consigned to BAHIL, master counter guarantee, 10% cash margin against sight LC's and equitable mortgage charge for Rs. 540 million over the factory's fixed assets, including land and building located at Khasra, Tehsil Hub, Balochistan.

	Note	2026 RUPEES	2025 RUPEES
18.3 Following is the movement of long term financing:			
Balance at the beginning of the year		38,000,000	-
Financing obtained during the year		75,800,000	38,000,000
Balance at the end of the year		<u>113,800,000</u>	<u>38,000,000</u>

19 LEASE LIABILITIES

Balance at the beginning of the year		8,727,270	535,640
Remeasurement of lease liabilities		13,570,088	14,089,521
Additions		5,390,750	9,551,241
Interest on lease liabilities	31	2,625,979	1,550,222
Lease rentals paid		<u>(16,333,265)</u>	<u>(16,999,354)</u>
Balance at the end of the year	19.1	<u>13,980,822</u>	<u>8,727,270</u>
Current portion		9,179,692	3,483,656
Non-current portion		<u>4,801,130</u>	<u>5,243,614</u>
		<u>13,980,822</u>	<u>8,727,270</u>

19.1 Maturity analysis

Not later than one year		10,271,317	4,408,306
Later than one year but not later than five years		<u>5,162,033</u>	<u>5,807,664</u>
Total future minimum lease payments		15,433,350	10,215,970
Finance charge allocated to future years		<u>(1,452,528)</u>	<u>(1,488,700)</u>
Present value of future minimum lease payments		<u>13,980,822</u>	<u>8,727,270</u>

20 SHORT-TERM BORROWING - SECURED

Short-term running finance - secured	20.1	71,517,714	-
Short-term finance - secured	20.2	<u>100,000,000</u>	-
		<u>171,517,714</u>	-

20.1 Movement of short term running finance - secured

Balance at the beginning of the year		-	-
Add : obtained during the year	20.3	<u>71,517,714</u>	-
Balance at the end of the year		<u>71,517,714</u>	-

	Note	2026 RUPEES	2025 RUPEES
20.2 Movement of short term finance - secured			
Balance at the beginning of the year		-	-
Add : obtained during the year	20.4	<u>100,000,000</u>	-
Balance at the end of the year		<u>100,000,000</u>	-

20.3 The Company has obtained a short-term running finance facility amounting to Rs. 100 million from Bank AL Habib Limited to meet its working capital requirements. The financing is secured by mortgage & charge (see note 18.2). The facility carries mark-up at the rate of 3-month KIBOR plus 1.5% per annum, payable on a quarterly basis on the outstanding balances. As at the reporting date, the outstanding balance under the facility is Rs. 71.52 million (2025: Nil).

20.4 This represents short term finance (STF) obtained from Bank AL Habib Limited to meet working capital requirements of the Company. The financing is secured by mortgage & charge (see note 18.2). The STF carries mark-up at the rate of 3-month KIBOR plus 1% per annum, payable on a quarterly basis on the outstanding balance.

	Note	2026 RUPEES	2025 RUPEES
21 PROVISION FOR GAS INFRASTRUCTURE DEVELOPMENT CESS			
Balance at the beginning of the year		229,344,757	227,124,918
Unwinding of finance cost	31	-	2,219,839
	21.1	<u>229,344,757</u>	<u>229,344,757</u>

21.1 During the year ended June 30, 2021, the Supreme Court of Pakistan (SCP) decided the Gas Infrastructure Development Cess (GIDC) case and held that the levy of GIDC under the GIDC Act 2015 is constitutional. The Apex Court further stated that all industrial and commercial entities which consume natural gas pass on the burden to their customers, have to pay the GIDC that became due up to July 31, 2020. Accordingly, Sui Southern Gas Company Limited (SSGC) issued GIDC bill to the Company amounting to Rs. 229.34 million to be recovered in 48 monthly instalments.

The above demand of the SSGC was not acknowledged as liability as the Company had not passed the burden to its customers / clients and the Company filed an appeal before the High Court of Sindh (HCS) which granted stay vide order dated September 18, 2020 against the aforementioned demand and restrained SSGC to take any coercive action.

However, as a matter of abundant caution and without prejudice to the suit filed, the Company had maintained aggregate provision of Rs. 229.34 million in the financial statements for the year ended June 30, 2026.



	Note	2026 RUPEES	2025 RUPEES
22 TRADE AND OTHER PAYABLES			
Creditors		80,062,683	117,087,064
Accrued liabilities		87,515,764	76,756,912
Advance from customer	22.1	63,670,057	88,457,801
Sales tax payable		17,467,003	5,515,155
Others		339,129	598,278
		<u>249,054,636</u>	<u>288,415,210</u>
22.1	Represents advance received from various customers. Revenue recognised during the year from amounts included in advance from customer at the beginning of the year amounted to Rs. 81.03 million (2025: Rs. 87.9 million).		
23 UNCLAIMED DIVIDEND			
Opening		25,090,613	25,090,613
Less : paid during the year		(18,022)	-
		<u>25,072,591</u>	<u>25,090,613</u>
24 CONTINGENCIES AND COMMITMENTS			
24.1 Contingencies			
24.1.1	During the year ended June 30, 2018, SECP issued winding up orders for Hyderi Construction Company Limited (HCCL) and filed a petition before HSC. Following the winding up petition, a case (Suit No. 560, 2018) was filed by RAH Securities Limited (a shareholder of HCCL) against multiple defendants, including the Company, claiming several losses and damages amounting to Rs. 98.8 million severally and jointly. The management, based on the advise of its legal advisor, is confident that the Company has reasonable grounds to defend the above case. Accordingly, no provision has been made in the financial statements as at June 30, 2026.		
24.1.2	The Company filed a Suit 722 of 2020 in the HCS challenging the demand of non-utilization fee by Sindh Industrial Trading Estates Limited (SITE) amounting to Rs. 11.95 million in relation to Plot No. S-42, SITE, Karachi on the grounds that the matter regarding demand of non-utilization fee has already been decided by a judgement of HCS dated May 04, 2002 in C.P No. D-333/2020 (M/s Indus Battery Industries vs SITE Limited). The HCS in its order dated July 02, 2020 has restrained SITE from taking any coercive action against the Company. The matter is currently at the stage of hearing. Based on advice from its legal advisor, the management of the Company expects a favourable outcome, hence no provision in this respect is made in the financial statements as at June 30, 2026.		
24.1.3	During the year ended June 30, 2020, the Company had received a show cause notice from Additional Commissioner in Land Revenue under Section 122(9) of the Income Tax Ordinance, 2001 in respect of tax year 2016 creating a demand of Rs. 22.27 million. The Company filed an appeal against the impugned order with the Commissioner Inland Revenue Appeal (CIR-A) who remanded back the case to the Additional Commissioner in Land Revenue by deleting certain matters. The department dissatisfied with the decision of the CIR-A and challenged the order before appellate tribunal in land revenue which is yet to be fixed for hearing. Based on advice from its tax advisors, the management of the Company expects a favourable outcome, hence no provision in this respect is made in the financial statements as at June 30, 2026.		

	Note	2026 RUPEES	2025 RUPEES
24.2 Commitments			
Outstanding letters of credit		20,027,621	-
Guarantee issued in favour of SSGC		109,357,530	102,346,611
Guarantee issued in favour of KE		4,745,248	1,686,249
Purchase commitment for cogeneration plant		176,700,000	176,700,000
25 SALES - NET			
Local sales		2,529,614,136	2,295,118,402
Export sales		167,602,592	196,191,952
Export rebate		12,403	-
		2,697,229,131	2,491,310,354
Sales return		(24,587,955)	(5,185,477)
Sales tax		(384,588,258)	(349,843,787)
		(409,176,213)	(355,029,264)
		2,288,052,918	2,136,281,090
26 COST OF GOODS SOLD			
Cost of goods manufactured	26.1	2,083,030,454	2,000,066,977
Finished goods at the beginning of the year		342,729,836	308,952,722
Finished goods at the end of the year		(338,398,351)	(342,729,836)
		2,087,361,939	1,966,289,863
26.1 Cost of goods manufactured			
Raw and packing materials consumed	26.1.1	1,251,263,372	1,120,069,769
Utilities		491,175,760	512,278,333
Salaries, wages and benefits	26.1.2	218,565,266	203,775,739
Stores, spares parts and loose tools consumed		39,905,518	64,400,171
Depreciation on operating fixed assets	4.4	44,116,113	43,815,474
Vehicle running and maintenance		19,821,188	18,859,928
Insurance		4,823,172	4,559,844
Product testing expense		20,243,275	17,422,925
Others		12,759,836	12,937,145
		2,102,673,500	1,998,119,328
Work-in-process:			
At the beginning of the year		1,263,636	3,211,285
At the end of the year		(20,906,682)	(1,263,636)
		(19,643,046)	1,947,649
		2,083,030,454	2,000,066,977



Habib Rice Products Ltd.

	Note	2026 RUPEES	2025 RUPEES
26.1.1 Raw and packing materials consumed			
At the beginning of the year		109,510,020	106,673,707
Purchases		1,305,913,444	1,122,906,082
		1,415,423,464	1,229,579,789
At the end of the year		(164,160,092)	(109,510,020)
		<u>1,251,263,372</u>	<u>1,120,069,769</u>
26.1.2	These include Rs 10.6 million (2025: Rs 9.79 million) in respect of staff retirement benefit.		
27 DISTRIBUTION COSTS			
Freight and commission		62,725,637	104,346,367
Travelling and conveyance		2,512,093	19,409,574
Salaries and benefits	27.1	18,499,235	16,580,397
ISO and other certifications		7,229,390	8,290,964
Sales promotion expense		983,518	5,182,155
Vehicle running expenses		1,293,893	2,137,993
Depreciation on operating fixed assets	4.4	1,054,558	1,294,720
Depreciation on right-of-use assets	5.2	1,706,942	1,100,820
Insurance		862,538	801,027
Postage and telephone		220,894	370,370
Entertainment		167,654	142,320
Printing and stationery		65,012	86,780
Utilities		107,175	86,184
Others		1,643,585	151,166
		<u>99,072,124</u>	<u>159,980,837</u>
27.1	These include Rs 1.3 million (2025: Rs.1.09 million) in respect of staff retirement benefit.		
28 ADMINISTRATIVE EXPENSES			
Salaries and benefits	28.1	82,608,118	76,452,559
Depreciation on right-of-use assets	5.2	17,356,693	15,305,077
Vehicle running expenses		10,857,303	8,773,442
Travelling and conveyance		3,133,919	7,101,396
Sharjah subsidiary expenses	28.2	5,048,381	6,909,928
Legal and professional charges		3,077,875	5,325,998
Utilities		3,037,168	3,898,032
Postage and telephone		2,610,989	2,071,974
Auditor's remuneration	28.3	2,180,000	1,831,500
Printing and stationery		1,844,923	1,682,873
Donations and corporate social responsibility	28.4	1,251,700	1,667,769
Depreciation on operating fixed assets	4.4	986,594	1,073,385
Entertainment		1,457,039	1,012,996
Insurance		879,648	707,237
Advertisement expenses		699,506	293,035
Directors' fee		806,250	112,500
Repairs and maintenance		-	35,650
Others		5,303,608	6,879,173
		<u>143,139,714</u>	<u>141,134,524</u>

28.1 These include Rs 5.03 million (2025 Rs.4.47 million) in respect of staff retirement benefit.

28.2 This amount represents pre-commencement and liquidation expenses incurred by the Company in relation to setting up its wholly owned subsidiary in Sharjah. These expenses comprise legal and incorporation fees, regulatory charges, administrative costs, and other directly attributable expenses incurred prior to the commencement of business operations and also liquidation expenses. The subsidiary was liquidated during the current financial year 2025-26.

28.3 Auditor's remuneration	Note	2026 RUPEES	2025 RUPEES
Statutory audit		1,400,000	1,150,000
Half yearly review		300,000	250,000
Other certifications		300,000	265,000
Out of pocket expenses		180,000	166,500
		<u>2,180,000</u>	<u>1,831,500</u>

28.4 No directors or their spouses have any interest in any donee to which donations were made.

29 OTHER EXPENSES

Exchange loss - net	2,428,964	1,597,721
Written off expense	-	38,021
	<u>2,428,964</u>	<u>1,635,742</u>

30 OTHER INCOME

Income from financial assets

Profit on bank accounts	571,646	17,108,927
Profit on investments	22,914	48,923
Dividend income	184	8,279
	<u>594,744</u>	<u>17,166,129</u>

Income from non-financial assets / liabilities

Insurance claim	188,500	-
Gain on disposal of operating fixed assets	402,185	-
	<u>590,685</u>	<u>-</u>
	<u>1,185,429</u>	<u>17,166,129</u>

31 FINANCE COSTS

Bank charges and commission		3,262,478	3,792,532
Interest on lease liabilities	19	2,625,979	1,550,222
Unwinding of finance cost on provision for GIDC	21	-	2,219,839
Mark up on running finance		4,987,251	-
Mark up on short term finance		5,093,699	-
Mark up on short term loan		659,837	-
		<u>16,629,244</u>	<u>7,562,593</u>



	Note	2026 RUPEES	2025 RUPEES
32 LEVIES, MINIMUM TAX AND FINAL TAX			
Minimum tax differential		28,181,500	26,213,034
Final tax		28	1,242
	33.1	<u>28,181,528</u>	<u>26,214,276</u>
33 TAXATION			
Current	33.1	-	-
Prior		-	(116)
Deferred	7 & 7.2	-	6,341,495
		<u>-</u>	<u>6,341,379</u>
33.1	Income tax assessments of the Company have been finalised up to the tax year 2025.		
34 LOSS PER SHARE - BASIC AND DILUTED			
Net loss for the year		<u>(87,575,166)</u>	<u>(155,711,995)</u>
Weighted average number of ordinary shares in issue	17.2	<u>40,000,000</u>	<u>40,000,000</u>
Basic and diluted loss per share		<u>(2.19)</u>	<u>(3.89)</u>
35 CASH (USED IN) / GENERATED FROM OPERATIONS			
Loss before levies and income tax		(59,393,638)	(123,156,340)
Adjustments for non cash items:			
Depreciation on operating fixed assets		46,157,265	46,183,579
Depreciation on right-of-use assets		19,063,635	16,405,897
Gain on disposals of operating fixed assets		(402,185)	-
Dividend income		(184)	(8,279)
Profit on investment and bank balances		(594,560)	(17,157,850)
Unrealised loss on contract liabilities & export commission		1,280,294	-
Finance costs		16,629,244	7,562,593
		<u>82,133,509</u>	<u>52,985,940</u>
		<u>22,739,871</u>	<u>(70,170,400)</u>
Working capital changes:			
Stores, spare parts and loose tools		(5,246,072)	(4,122,434)
Stock-in-trade		(75,446,171)	(37,900,364)
Trade debts		14,512,335	(3,952,745)
Loans and advances		5,334,148	(47,647,852)
Trade deposits and pre-payments		3,911,200	(2,288,726)
Short-term deposits		-	19,463,129
Due from a related party		491,659	(491,659)
Trade and other payables		(48,999,063)	174,942,030
Due to a related party		(300,000)	300,000
		<u>(105,741,964)</u>	<u>98,301,379</u>
		<u>(83,002,093)</u>	<u>28,130,979</u>

36 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

- 36.1** The Company's activities expose it to a variety of financial risks. The Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. The Board of Directors has an overall responsibility for the establishment and oversight of the Company's risk management framework. The executive management team is responsible for developing and monitoring the Company's risk management policies. The team regularly meets and any changes and compliance issues are reported to the Board of Directors through meeting.

As of the reporting date, the Company is exposed to the following risks:

36.2 Market risk

Market risk is the risk that fair value of future cash flows will fluctuate because of changes in market variables such as interest rate risk, currency risk and equity risk. The Company is not materially exposed to other price risk.

36.2.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in the market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to deposits in savings accounts. Management of the Company estimates that 1% increase in the market interest rate, with all other factors remaining constant, would decrease the Company's loss before tax by Rs. 1.71 million (2025: Rs. 0.04 million) and a 1% decrease would result in increase in the Company's loss by the same amount. However, the actual results may differ from the sensitivity analysis.

36.2.2 Currency risk

Currency risk is the risk that the fair value of future cash flows of financial asset or a liability may fluctuate due to changes in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions entered into foreign currencies. The Company primarily has foreign currency exposures in US Dollars. A 10% strengthening / impairment of the PKR against the USD at June 30, 2026 would have effect on the equity and profit and loss of the company amounting to Rs. 0.212 million / (0.212 million) ((2025: {0.196 million / (0.196) million}) . This analysis assumes that all other variables, in particular interest rates, remain constant.

36.2.3 Equity risk

Equity price risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market prices of financial instruments traded in the market. As of June 30, 2026, the Company is not materially exposed to equity risk.

36.3 Credit risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company manages credit risk by limiting significant exposure to any individual customers, by obtaining advance against sales and does not have significant exposure to any individual customer.

Concentration of credit risk arises when a number of counterparties are engaged in similar business activable or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Company's performance or developments affecting a particular industry.

As of the reporting date, the Company is mainly exposed to credit risk on the following assets:

	Note	2026 RUPEES	2025 RUPEES
Long-term deposits	6	1,660,221	1,061,249
Trade debts	10	11,792,793	26,305,128
Short-term deposits	13	7,819,241	7,819,241
Bank balances	15	9,732,612	9,516,350
Accrued profit, insurance claim and other receivable	12	1,710,676	21,017
		<u>32,715,543</u>	<u>44,722,985</u>

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings agencies or the historical information about counter party default rates.

	2026 RUPEES	2025 RUPEES
Trade debts		
Neither past due nor impaired	11,792,793	26,305,128
Past due not impaired	-	-
Total	<u>11,792,793</u>	<u>26,305,128</u>

There are no customers with defaults as at the current and prior years.

All investments at amortized cost and bank balances are maintained with financial institutions having credit rating as follows:

Bank	Rating agency	Short- term rating	Long- term rating	2026 ----- Rupees - -----	2025
Private sector commercial banks					
Bank Al-Habib Limited	PACRA	A1+	AAA	4,857,558	5,607,230
Bank Al Falah Limited	PACRA	A1+	AAA	107,817	362,444
MCB Bank Limited	PACRA	A1+	AAA	99,525	38,696
Habib Bank Limited	VIS	A1+	AAA	217,873	210,141
United Bank Limited	VIS	A1+	AAA	1,319,775	17,588
National Bank of Pakistan	VIS	A1+	AAA	479,170	479,170
Allied Bank Limited	PACRA	A1+	AAA	193,453	193,628
Meezan Bank Limited	VIS	A1+	AAA	2,157,791	2,607,453
				<u>9,432,962</u>	<u>9,516,350</u>

36.4 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company applies prudent liquidity risk management by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Table below summarises the maturity profile of the Company's financial liabilities at the following reporting dates based on contractual undiscounted payments.

	2026				
	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	(Rupees)				
Trade and other payable	-	167,917,576	-	-	167,917,576
Long-term financing	-	-	-	113,800,000	113,800,000
Lease Liabilities	-	-	9,179,692	4,801,125	13,980,817
Unclaimed Dividend	25,072,591	-	-	-	25,072,591
Short-term borrowing- second	71,517,714	-	100,000,000	-	171,517,714
	<u>25,072,591</u>	<u>167,917,576</u>	<u>109,179,692</u>	<u>118,601,125</u>	<u>492,288,698</u>
	2025				
	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	(Rupees)				
Trade and other payable	-	194,442,254	-	-	194,442,254
Long term financing	-	-	-	38,000,000	38,000,000
Lease liabilities	-	-	3,483,656	5,243,614	8,727,270
Unclaimed dividend	25,090,613	-	-	-	25,090,613
	<u>25,090,613</u>	<u>194,442,254</u>	<u>3,483,656</u>	<u>43,243,614</u>	<u>266,260,137</u>

36.5 Capital risk management

The Company's objective when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefit for other stake holders and to maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares.

The management seeks to maintain a balance between higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

	2026 RUPEES	2025 RUPEES
Debt	285,317,714	38,000,000
Equity	706,126,443	793,701,609
	<u>991,444,157</u>	<u>831,701,609</u>
Gearing ratio	<u>40%</u>	<u>5%</u>

The Company finances its operations through equity, borrowings and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

36.6 Fair value of financial instruments

The carrying values of the financial assets and financial liabilities approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The carrying value of financial instruments carried at amortized cost approximates its fair value.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: Quoted market price;

Level 2: Valuation techniques (market observable); and

Level 3: Valuation techniques (non-market observables).

		Level 1	Level 2	Level 3	Total
	Note	(Rupees)			
Year ended June 30, 2026					
Short term investments	13	-	4,800	-	-
Year ended June 30, 2025					
Short term investments	13	-	-	-	-

The fair value of mutual fund is based on net asset value at reporting date.

37 REMUNERATION OF THE CHIEF EXECUTIVE , DIRECTOR AND EXECUTIVES

37.1 Aggregate amounts charged in the financial statements are as follows:

	2026			2025		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
	(Rupees)					
Managerial remuneration	18,554,586	12,334,531	37,640,782	16,415,652	9,866,424	35,886,982
Bonus	-	-	-	-	-	-
Leave encashment	1,064,792	2,631,046	2,536,839	4,012,715	-	392,878
Contribution to provident fund	1,546,216	1,027,878	3,136,733	1,367,971	822,202	2,990,581
	<u>21,165,594</u>	<u>15,993,455</u>	<u>43,314,354</u>	<u>21,796,338</u>	<u>10,688,626</u>	<u>39,270,441</u>
Number of persons	<u>1</u>	<u>1</u>	<u>12</u>	<u>1</u>	<u>1</u>	<u>12</u>

37.2 In addition, the Chief Executive, Director and all Executives are provided free use of Company maintained cars as per terms of employment.

38 TRANSACTIONS WITH RELATED PARTIES

38.1 The related parties of the Company comprise of associated companies, directors, retirement funds and key management personnel. Transactions with related parties other than those disclosed elsewhere in the financial statements, are as follows:



Habib Rice Products Ltd.

38.2 Details of transactions with connected persons are as follows:

Relationship	Nature of transactions	2026	2025
		-----Rupees-----	
Associated Company	Rent expense	600,000	600,000
Staff provident fund	Contributions made	16,939,903	15,339,233

38.3 Amounts outstanding as at year end are as follows:--

Relationship	Nature of transactions		
Associated Company	Receivable	-	491,659
	Rent payable	-	300,000

38.4 Following are the associated companies with whom the Company had entered into transactions or has arrangements:

Basis of relationship	Company Name	Aggregate % of shareholding in the Company
Common directorship	Hydari Boring & Pilling (Private) Limited	0.050%
Common directorship	Abbas Builders (Private) Limited	0.003%
Common directorship	Indus Oil Expellers (Private) Limited	0.001%

39 GENDER PAY GAP

Mean Gender pay Gap 100%

Median Gender pay Gap 100%

At present there is no female employee in the company. If there is a future requirement the Company would give first preference to hiring a female employee.

40 SHARIAH DISCLOSURES UNDER CLAUSE VII OF PART I OF SCHEDULE IV OF THE COMPANIES ACT, 2017

	Note	2026	2025
		-----Rupees-----	
Statement of Financial Position - Liability Side:			
Financing as per Islamic mode - Short term		-	-
Financing as per Islamic mode - Long term		-	-
Mark-up accrued on conventional loan	22	8,358,195	1,245,879
Mark-up accrued on Islamic loan		-	-
Statement of Financial Position – Asset Side:			
Long-term and short-term Shariah compliant Investments	14	4,768	4,616
Shariah-compliant bank balance	16	6,808,515	2,607,451
Statement of Comprehensive Income			
Turnover (Net) from Shariah compliant business	25	2,288,052,918	2,136,281,090
Break-up of late payments or liquidated damages		-	-
Gain or loss or dividend earned on Shariah compliant investments or share of profit from Shariah - compliant associates		-	-
Profit earned from Shariah compliant bank deposit, bank deposits or TDRs		-	-
Exchange gain earned from actual currency		-	-
Exchange gains earned using conventional derivative financial instruments		-	-
Profit paid on Islamic mode of financing		-	-
Total Interest earned on any conventional loan or advance / deposits / bank balance	30	594,560	17,157,850
Source and detailed breakup of other income			
Shariah compliant Income:			
Dividend income	30	152	5,431
Gain on disposal of property, plant and equipment	30	1,477	-
Shariah non-compliant income:			
Dividend income	30	32	2,848
Gain on disposal of property, plant and equipment	30	400,708	
Income on term deposit receipts - conventional	30	22,914	48,923
Income on saving bank accounts - conventional	30	571,646	17,108,927
Insurance Claim	30	188,500	-

Other Disclosure Requirements

Relationship with Shariah-compliant financial institutions including banks, takaful operators and their windows, etc.

Shariah-compliant bank & financial institution:

The Company has banking and investment relationship with Meezan Bank Limited - a Shariah Compliant bank and AL Meezan Investment Management Limited - a Shariah Compliant Asset Management Company.

Takaful operators

The company has no relationship with takaful operators.

41 EVENTS AFTER THE REPORTING DATE

No such events or transactions has occurred subsequent to the statement of financial position date i.e. June 30, 2026, which may require adjustment and / or disclosure in financial statement.

42 NUMBER OF EMPLOYEES

The number of employees including contractual employees of the Company are as follows:

	2026	2025
	-----Numbers-----	
At year end	293	299
Average employees during the year	296	301

43 PLANT CAPACITY UTILIZATION

	2026	2025
	-----M. Tonnes-----	
Annual installed capacity as of 30 June (in m. tons)	45,000	45,000
Actual production for the year (in m. tons)	12,621	11,363

43.1 Actual production is less than the installed capacity due to low industry demand.

44 GENERAL

44.1 Corresponding figures have been re-classified and re-arranged in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications have been made in these financial statements during the current year.

44.2 Figures have been rounded off to the nearest Rupees unless otherwise stated.

44.3 These financial statements were authorised for issue on September 22, 2026 by the Board of Directors of the Company.



OWAIS G. HABIB
Chief Executive Officer



JAMSHED ALI KHAN
Chief Financial Officer



GAFFAR A. HABIB
Chairman

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 46th Annual General Meeting (AGM) of Habib Rice Products Ltd. will be held on Wednesday, October 28, 2026 at 11:30 a.m. at The Federation of Pakistan Chambers of Commerce & Industry (FPCCI), Federation House, Abdullah Shah Ghazi Road, Main Clifton, Karachi, to transact the following business.

ORDINARY BUSINESS:

1. To confirm the minutes of the Extraordinary General Meeting held on Wednesday, June 03, 2026.
2. To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended June 30, 2026, together with the Director's and Auditors Reports thereon.
3. To appoint auditors of the Company for the year ending June 30, 2027 and to fix their remuneration. The retiring auditors, M/s. Grant Thornton Anjum Rahman Chartered Accountants, being eligible, have offered themselves for re-appointment.
4. To transact such other business as may be placed before the meeting with the permission of the Chairman.

By Order of the Board of Directors

Muhammad Haris
Company Secretary

Karachi: October 06, 2026

NOTES:

1. Closure of Share Transfer Books:

The share transfer books of the Company will remain closed from October 21, 2026 to October 28, 2026 (both days inclusive). Transfers received in order at the office of our Share Registrar M/s. CDC Share Registrar Services Limited, CDC House, 99 - B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi by the close of the business on 20 October, 2026 will be treated in time to determine the right to attend the Annual General Meeting.

2. Participation in the AGM via physical presence or through video link and appointing proxies:

Members whose names appear in the register of members as of October 20, 2026, are entitled to attend and vote at the AGM. A member of the company entitled to attend and vote at this meeting may appoint another person as his/her proxy to attend and vote on his/her behalf. An instrument of proxy and the power of attorney or other authority (if any) under which it is signed, duly stamped, signed and witnessed, or a certified true copy thereof, duly notarized, must be received at the registered office address of the Company's Share Registrar, M/s. CDC Share Registrar Services Limited, not later than forty eight (48) hours before the time of AGM.

The General Meeting is being conducted as per guidelines circulated by SECP following arrangements have also been made by the Company to facilitate the maximum participation of the shareholders in the AGM through video link facility, either in-person or through appointed proxies.

The members interested to participate through video link are requested to please provide below information at Email: corporate@habibriceproducts.com at least forty eight (48) hours before the AGM along with a valid copy of their CNIC.

Name of Member	CNIC / Passport / NTN Number	Folio / CDC A/c No.	Email ID	Cell No.

Please note that video link and login credentials will be shared with only those members / designated proxies whose e-mail and other required information are received in required time as mentioned above.

- Video-link for the meeting will be sent to members at their provided email addresses enabling them to attend the meeting on the given date and time.
- Login facility will be opened thirty (30) minutes before the meeting time to enable the participants to join the meeting after the identification process. Members will be able to login and participate in the meeting proceedings through their devices after completing all the formalities required for the identification and verification of the Members.
- Members may send their comments and suggestions relating to the agenda items of the AGM at least two (2) working days before the meeting, at the given email address corporate@habibriceproducts.com. Members are requested to mention their full name, CNIC No. and Folio / CDC Account No. for this purpose.
- Members are encouraged to participate in the meeting to consolidate their attendance and participation through proxies.

3. Guidelines for Central Depository Company of Pakistan Limited (CDC) Investor Account Holders:

CDC Account Holders will further have to follow the under mentioned guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan (SECP).

A. For Attending the Meeting:

- In case of individuals, the investor account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per Regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or valid Passport at the time of attending the meeting.
- In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature and attested copy of valid CNIC of the nominee shall be produced (unless it has been provided earlier) at the time of meeting.

B. For Appointing Proxies:

- i) In case of individuals, the investor account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement laid down in Note 2.
- ii) The proxy form shall be witnessed by two (2) persons whose names, address and CNIC/Passport Numbers shall be mentioned on the form.
- iii) Attested copies of CNIC or Passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iv) The proxy shall produce his/her original CNIC or original Passport at the time of the meeting.
- v) In case of Corporate Entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

4. Submission of CNIC/NTN or Passport:

Members who have not yet submitted a copy of their valid Computerized National Identity Card (CNIC) or National Tax Number (NTN) (in case of corporate entities) to the Company are once again requested to send a copy of their valid CNIC or NTN (as the case may be), at the earliest directly to the registered office address of the Share Registrar of the Company, M/s. CDC Share Registrar Services Limited. Folio Numbers must be shared with the copy of CNIC/ NTN details. Members are advised that, in the absence of a valid CNIC or NTN (as applicable), the Company may not be able to comply with the applicable requirements of the Companies Act, 2017 and SROs issued there under.

5. Transmission of Annual Report 2026:

In compliance with section 223(6) of the Companies Act, 2017, the Annual Report of the Company, comprising the audited financial statements for the year ended June 30, 2026, together with the Directors' Report, Auditors' Report and other reports forming part thereof, will be circulated to the members through hard copies at their registered addresses. Further, Members are requested to kindly provide their valid and updated mailing address, email address and contact numbers (along with a valid CNIC copy) to the Company's Share Registrar, M/s. CDC Share Registrar Services Limited, if the Member holds shares in physical form, or to the Member's respective Participant/Investor Account Services, if shares are held in book-entry form.

6. Conversion of Physical Shares into Book Entry Form:

In accordance with the Securities and Exchange Commission of Pakistan (SECP), through its letter No. CSD/ED/Misc/2016-639-640 dated March 26, 2021, has advised all listed companies to comply with the provisions of Section 72 of the Companies Act, 2017 by replacing physical shares issued by them with shares in book-entry form. Members of the Company holding physical folios/share certificates are requested to convert their shares from physical form into book-entry form at the earliest. Members may contact their Broker, CDC Participant,

or CDC Investor Account Service Provider for assistance in opening a CDS account and for subsequent conversion of their physical shares into book-entry form. For further information and assistance, members may contact the Company's Share Registrar, M/s. CDC Share Registrar Services Limited.

7. Unclaimed Dividends:

Members, who for any reason, could not claim their dividend(s) are advised to contact the Company at its registered office at 2nd Floor, UBL Building, I.I. Chundrigar Road, Karachi, to collect/enquire about their unclaimed dividend(s) (if any).

8. Update of Members' Contact details and Notification for Changes (if any):

Members are requested to ensure that their updated email address, mailing address, and contact numbers are duly incorporated in their physical folio with the Company's Share Registrar and with their respective Participant or Broker / CDC Investor Account Services for shares held in electronic form. Members are further requested to promptly notify any changes in their contact details to the Company's Share Registrar, M/s. CDC Share Registrar Services Limited, or, in case of shares held in electronic form, to their respective Participant, Broker or CDC Investor Account Services, as applicable.

9. Restriction on Distribution of Gifts to Members:

The SECP, through Circular No. 2 of 2018 dated February 9, 2018, and S.R.O. 452(I)/2025 dated March 17, 2025, has strictly prohibited companies from offering or distributing gifts, incentives, or any similar benefits (including but not limited to tokens, coupons, meals, or takeaway packages) to members at or in connection with general meetings. In terms of Section 185 of the Companies Act, 2017, any non-compliance with these directives constitutes a punishable offence. Companies found in violation may be subject to enforcement actions and penalties.

For any query / clarification / information, the shareholder may contact the Company and/or the Share Registrar at the following addresses:

Company Address:
M/s. Habib Rice Products Ltd.
2nd Floor, UBL Building,
I.I. Chundrigar Road, Karachi.
Phone: (+92-21) 32414362
(+92-853) 363963
E-mail: corporate@habibriceproducts.com

Share Registrar Address:
M/s. CDC Share Registrar Services Limited
CDC House, 99-B, Block 'B', S.M.C.H.S.,
Main Shahrah-e-Faisal, Karachi.
Phone: 0800-23275
Email: info@cdcsrsl.com

PROXY FORM

I/We _____ of _____
being a member(s) of Habib Rice Products Ltd. and a holder of _____
Ordinary Shares as per Share Register Folio Number _____
and/or CDC Account and participant's I.D. Numbers _____
hereby appoint _____ Folio No./CDC I.D. _____ of _____
or failing him/her _____ Folio No./CDC I.D. _____ of _____
another member of Habib Rice Products Ltd. as my/our proxy to vote for me/us and on my/our behalf at
the 46th Annual General Meeting (AGM) of the Company to be held on Wednesday, October 28, 2026 at
11:30 a.m. at The Federation of Pakistan Chambers of Commerce & Industry (FPCCI), Federation House,
Abdullah Shah Ghazi Road, Main Clifton, Karachi.

As witness my/our hand this _____ Day of _____ 2026.

Revenue Stamp
Five
Rupees

SIGNATURE OF MEMBER(S)

(The Signature of the Shareholder should agree with the specimen signature registered with the Company or as per CNIC / Passport in case the share(s) is / are registered in CDC account).

Witness:

1. Signature _____ Name _____ Address _____ CNIC/Passport No. _____	2. Signature _____ Name _____ Address _____ CNIC/Passport No. _____
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- i) A member entitled to attend the Annual General Meeting is entitled to appoint a Proxy to attend, speak and vote instead of him/her. No person shall act as Proxy (except for a corporation) unless he/she is entitled to be present and vote in his/her own right.
- ii) CDC account holder or sub-account holder appointing a Proxy should furnish attested copies of his/her own as well as the Proxy's CNIC/Passport with the proxy form. The Proxy shall also produce his/her original CNIC or Passport at the time of the meeting. In case of Corporate entity, the Board of Directors' Resolution / Power of Attorney with specimen signature shall be submitted along with proxy form.
- iii) The instrument appointing a Proxy should be signed by the member or by his/her attorney duly authorised in writing. If the member is a corporation, its common seal (if any) should be affixed to the instrument.
- iv) The proxy forms, together with the power of attorney (if any), under which it is signed or a notarially certified copy thereof, shall be deposited at the Registered Office of the Company not less than 48 hours before the time of the meeting.

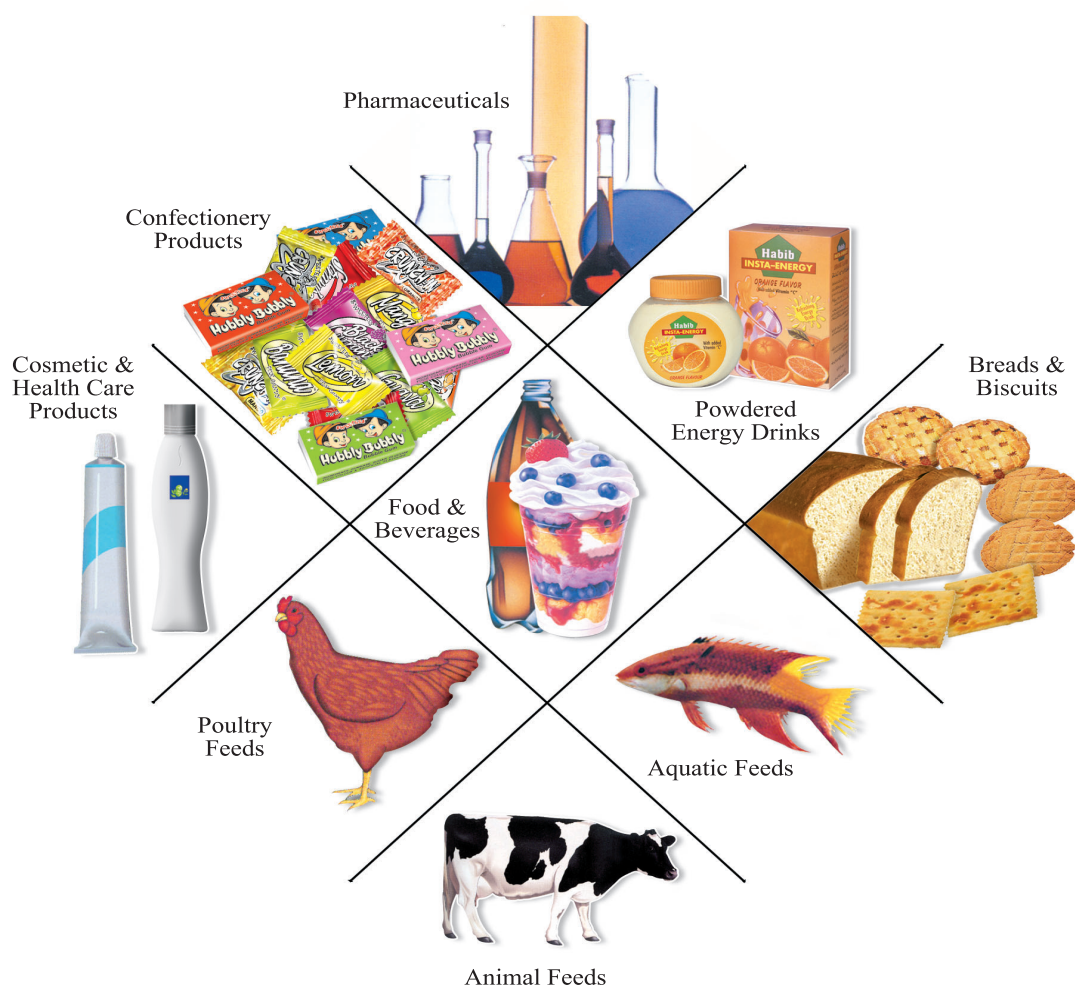


Habib Rice Products Ltd.

Pioneer Producers of Rice Derives Products and Proteins

Habib Rice Products Limited pioneered the conversion of Rice into:-

- **Glucose**
- **Sorbitol**
- **Dextrose**
- **Maltodextrin**
- **High Fructose**
- **Rice Protein**



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Website : www.habibriceproducts.com